



Missouri Department of Elementary and Secondary Education

— Making a positive difference through education and service —

April 22, 2008

TO: School District Administrators

FROM: Gerri Ogle, Associate Commissioner, Administrative and Financial Services
Roger Dorson, Director, School Finance

RE: April Financial Information

Prior Year (2006-07) Adjustment - Basic Formula

Each year the prior year's formula apportionment is recalculated to reflect the best actual data applicable for that payment year. The 2006-07 Basic Formula calculations were made using the highest of the 2006-07 estimated weighted average daily attendance (WADA), the 2005-06 actual WADA, or the 2004-05 actual WADA. The 2006-07 data have been reviewed by School Finance staff, the district auditor and the district staff. Some districts are due a positive or negative adjustment to the 2006-07 apportionment. Positive adjustments to the Classroom Trust Fund (CTF) allocation resulted in negative adjustments to other districts. If there were no data changes, the negative adjustment in the CTF was offset by a positive adjustment in Basic Formula-State Monies. This prior year recalculation is reflected in the April payment.

Final Reminder - Estimated Regular Term ADA

The estimated regular term ADA for 2007-08 may be entered on the August Core Data WEB Screen 2 in the Estimated ADA field. Report the estimated regular term ADA for the **2007-08** year *only if the district's 2007-08 regular term ADA is expected to be greater than both the 20005-06 and 2006-07 regular term ADA totals* and the district wants to be paid in 2007-08 on the 2007-08 estimated number. Regular term average daily attendance includes remediation attendance outside the regular school day. Do not include summer school attendance in this estimate. Revisions to the 20007-08 estimated ADA may be made through May 15, 2008. Contact School Finance staff if you have questions about estimating ADA. *It is critical for the state appropriation process that districts with increasing ADA submit an estimated ADA so that the payment in the current year will be more accurate.*

BUDGET ESTIMATES – 2007-08

2007-08 - Basic Formula Estimate

A supplemental appropriation for the FY08 Basic Formula to provide the money needed to equal the sum of all districts' calculations has been approved. There is no proration factor in the 2007-08 Basic Formula calculation. Please use the SB 287 Formula Calculation tool on the web at <http://dese.mo.gov/divadm/finance/SB287/index.html> or the monthly calculation sheet in estimating the money your district will receive in FY08.

2007-08 - Classroom Trust Fund Payment Estimate

The 2007-08 Classroom Trust Fund payment is paid on the 2006-07 average daily attendance. The Classroom Trust Fund revenue as *projected* in the 2007-08 budget is \$311,285,314. The 2006-07 average daily attendance as calculated in March 2008 was 858,971. Using these estimates, the 2007-08 estimated Classroom Trust Fund payment is \$362 per 2006-07 average daily attendance. However, DESE has been advised that the actual gaming revenue for the 2007-08 will be less than the budgeted number by \$10 million to \$20 million. Adjusting for the reduced revenue projection, the Classroom Trust Fund payment is projected to be in the range of \$339 to \$350 per ADA.

2007-08 – Small Schools Grant Estimate

The 2007-08 Small Schools Grant of \$15,000,000 is divided into two parts, \$10 million and \$5 million. The \$10,000,000 portion is distributed to districts whose average daily attendance (ADA), including summer school, in 2006-07 is less than or equal to 350. The 2006-07 ADA includes the summer school held in 2006. The 2007-08 small school estimate per average daily attendance is \$292. The remaining \$5,000,000 is distributed on a tax-rate weighted average daily attendance basis to districts whose 2006-07 ADA is less than or equal to 350 and the 2007-08 Incidental plus Teachers Funds tax rates are greater than or equal to \$3.43. The 2007-08 estimate per tax-rate weighted ADA is \$194. An update to these estimates will be provided when better data are available.

2007-08 - Proposition C Sales Tax Payment Estimate

The 2007-08 Proposition C Sales Tax payment is paid on the 2006-07 weighted average daily attendance. The projected Proposition C revenue as stated in the 2007-08 budget is \$798,200,000. However, DESE has been advised that a more realistic total for the 2007-08 year is \$788,200,000. The 2006-07 weighted average daily attendance total used in the March 2008 Proposition C calculation was 914,257. Using these estimates, the 2007-08 estimated Proposition C payment is \$862 per 2006-07 weighted average daily attendance. Any further decline in Prop C revenue will yield an additional decrease in the amount per weighted ADA.

BUDGET ESTIMATES – 2008-09

2008-09 - Basic Formula Estimate

The 2008-09 Basic Formula budget request approved by the State Board of Education of \$2,961,219,738 includes an increase of \$121,335,508 over the \$2,839,884,230 for the 2007-08 appropriation. This is the amount estimated to be needed to fund the third year calculation of the formula passed in SB 287(2005). This amount has been recommended by the Governor and approved by the House of Representatives Budget Committee. The FY09 state budget is expected to be discussed and voted on the House floor the week of March 24. The Senate will begin the FY09 budget discussion upon passage by the House. Please use the SB 287 Formula Calculation tool on the web at <http://dese.mo.gov/divadm/finance/SB287/index.html> in estimating the money your district will receive in FY09.

Foundation Basic Formula – State Adequacy Target and Threshold Percentages

As noted in the October 2007 School Finance memo, the State Adequacy Target will remain at \$6,117 for the 2008-09 fiscal year. The recalculation of the three threshold percentages for the Foundation Formula for fiscal years 2009 and 2010 yielded the following percentages:

	Free & Reduced Price Lunch	Special Education	Limited English Proficiency
FY2008-09 & FY2009-10	27.3%	14.3%	1.3%

2008-09 - Classroom Trust Fund Payment Estimate

The 2008-09 Classroom Trust Fund payment is paid on the 2007-08 average daily attendance. The projected Classroom Trust Fund revenue as stated in the 2008-09 budget is \$311,285,314. The 2007-08 average daily attendance is estimated to be 863,000. Using these estimates, the 2008-09 estimated Classroom Trust Fund payment is \$360 per 2007-08 average daily attendance. An update to this estimate will be provided when better data are available.

2008-09 – Small Schools Grant Estimate

The 2008-09 Small Schools Grant of \$15,000,000 will be divided into two parts, \$10 million and \$5 million. The \$10,000,000 portion will be distributed to districts whose average daily attendance (ADA), including summer school, in 2007-08 is less than or equal to 350. The 2007-08 ADA includes the summer school held in 2007. The 2008-09 small school estimate per average daily attendance is \$290. The remaining \$5,000,000 will be distributed on a tax-rate weighted average daily attendance basis to districts whose 2007-08 ADA is less than or equal to 350 and the 2008-09 Incidental plus Teachers Funds tax rates are greater than or equal to \$3.43. The 2008-09 estimate per tax-rate weighted ADA is \$185. An update to these estimates will be provided when better data are available.

2008-09 - Proposition C Sales Tax Payment Estimate

The 2008-09 Proposition C Sales Tax payment is paid on the 2007-08 weighted average daily attendance. The projected Proposition C revenue as stated in the 2008-09 budget is \$803,700,000. The 2007-08 weighted average daily attendance is estimated to be

919,000. Using these estimates, the 2008-09 estimated Proposition C payment is \$874 per 2007-08 weighted average daily attendance. An update to this estimate will be provided when better data are available.

Minimum Salary Requirements

In 2008-09 the minimum teacher's salary is \$24,000 and the minimum salary for a full-time teacher with a master's degree with at least ten years public teaching experience is \$32,000.

Attendance hours for any educator without a valid certificate will be disallowed for state aid payment purposes. State law requires all school district personnel who are responsible for working with students in an instructional or supervisory capacity during the school day to have a valid Missouri teaching certificate.

A report is available on the Data Collection web application system which will identify educators within the district that do not have a valid certificate on file with DESE. To access this report in the Data Collection system, go to the dropdown menu in the upper right-hand corner of the screen, select Report Menu, then Special Reports, then Inappropriate Certification. Under the Program dropdown menu on the Inappropriate Certification webpage is the new report entitled "No Certification-Teachers". The report can be run for all buildings or individual buildings and can be sorted by last name or by school code.

At the end of the 2007-08 year, DESE will prepare a list of educators meeting the following criteria:

1. did not hold a valid Missouri educator certificate at any point in time between July 1, 2007 and July 1, 2008; or
2. has a certificate pending but did not initiate the required background check prior to June 30, 2008.

School districts must then exclude the 2007-08 hours of attendance for all students who were under the supervision of those educators.

Attendance Reporting

MAP Testing - During MAP testing, some districts may have chosen to release some students who are not involved in the testing process (such as seniors), allow some students not involved in the testing process to come to school late, allow students to come to school at the time of the test, etc. While the district may make such decisions, the district cannot count the student as being in attendance during those hours the student was absent. **A student is not to be counted as in attendance unless the student is actually present and under the direct supervision of a certificated staff member.** If the district has claimed attendance for students under this particular condition, it must revise Core Data Screen 14 for the previous year as well as adjust the current year attendance records.

Excused Absences - A district may have policies allowing an excused absence for various purposes such as illness, religious beliefs, testing, etc. However, there is no authority to give attendance credit for students not in attendance nor under the direct supervision of a certificated teacher. Students must be in attendance in an instructional capacity under the direct supervision of a certificated employee of the district to be counted for attendance purposes.

Gifted Education

The Gifted Education Section of the Department of Elementary and Secondary Education has conducted a review of Core Data regarding state-approved gifted programs. Letters were mailed to superintendents informing you of the findings of this review.

Please compare the enrollments listed on screen 20 for all teachers coded "08" for accuracy. Where inaccurate enrollments were listed, amend the Core Data to provide information that accurately reflects what the correct course enrollment is for the current school year.

A negative payment adjustment is required by Section 163.031.4 (7) (c), RSMo when the enrollment decreases in the current year more than 20 percent from the 2005-06 base year.

SCHOOL GOVERNANCE

Boundary Change

If there is a change in your school district's boundary following the April election, please send a copy of the ballot with the legal description of the boundary change to the School Governance Section.

Missouri School Facilities Workshops for Summer of 2008

The information on the Missouri School Facilities Workshops to be held this summer is now available. The workshop locations will be Jefferson City, Branson, Grain Valley, Troy R-III, and Sikeston R-6. The workshops provide an outstanding opportunity for the district's school facilities director/support staff to receive a quality in-service program. There are no registration fees for the workshops. The pre-enrollment form should be completed and returned by mail or faxed to the appropriate workshop coordinator. Please distribute the information to the appropriate staff members in your district. The workshop information is available on the web at <http://dese.mo.gov/divadm/govern/workshops.html>.

SCHOOL TRANSPORTATION

2007-08 State Transportation Aid Calculation

The fiscal year 2007-08 state transportation aid calculation is available through the School Finance website. Select Monthly Financial Reports. Next select FY 2007 – FY2008 and choose a district. The Payment Transmittal is then displayed for the month selected. Click on the revenue name "Transportation" on the Payment Transmittal to access the transportation aid calculation. The link to School Finance Monthly Financial Reports is <http://dese.mo.gov/divadm/finance/FinancialRpt.html>.

This is the seventh live state transportation calculation made for the current year. The calculation is based on 2006-07 school year data submitted by the district on the state transportation aid documents included in Part IV of the Annual Secretary of the Board Report (Application for State Transportation Aid, School Bus and Facility Depreciation Schedules).

The percent of reduction to the calculated entitlement was computed for the April 2008 payment and will fluctuate from month to month as revisions are made to individual school district data. The percent of reduction and the A and B factors are also reflected on each district's Summary Transportation Report.

The percentage reduction and the A and B factors are as follows:

	<u>Reduction Factor</u>	<u>A Factor</u>	<u>B Factor</u>
April 2008	31.236317	2.808534	-1.450306
March 2008	30.671393	2.813061	-1.454128
February 2008	30.899189	2.829115	-1.470439
January 2008	30.922763	2.825371	-1.462065
December 2007	30.932738	2.824195	-1.461055
November 2007	30.840530	2.818748	-1.455744
October 2007	28.598232	2.781850	-1.421656

2006-07 Prior Year Recalculation

For the April 2008 payment, the 2006-07 transportation payment was recalculated based on prior year changes to the Annual Secretary of the Board Report (ASBR). If your district made changes to the 2006-07 ASBR's transportation revenues, expenditures, School Bus Depreciation Schedule, Facility Depreciation Schedule, or the Application for State Transportation Aid an adjustment was made due to those changes. Even if your district's data remained the same the district has a prior year correction because of other districts' data changing and, therefore, affecting all districts as the appropriation adjustment and A and B factors are recalculated.

School Transportation Security Awareness Program Website Information

The School Transportation Security Awareness (STSA) program was developed by TSA in conjunction with the National Association of State Directors of Pupil Transportation Services, the National Association of Pupil Transportation, and the National School Transportation Association to provide much needed security awareness information and training to the school transportation industry.

STSA focuses on terrorist and criminal threats to school buses, bus passengers and destination facilities. It is designed to provide school bus drivers, administrators, and staff members with information that will enable them to effectively identify and report perceived security threats, as well as the skills to appropriately react and respond to a security incident should it occur.

More information regarding this program can be found at [www.tsa.gov/what we do/tsnm/highway/stsa.shtm](http://www.tsa.gov/what_we_do/tsnm/highway/stsa.shtm).

2008-09 Transportation Estimate

The 2008-09 Governor's budget recommendation for the transportation state aid formula is \$167,797,713. The amount approved by the House of Representatives and Senate is also \$167,797,713. The bill will now be sent to conference committee

For purposes of planning the district's transportation budget for 2008-09, the estimated proration at this funding level is:

Approximate 33-34% reduction on the district's Calculation for State Transportation Aid, Line 52, or approximately 66-67% proration of Line 51 (the district's state transportation aid entitlement).

MAPT Poster Contest and Award Nominations

The Missouri Assn. for Pupil Transportation has posted forms for the School Bus Safety Poster Contest, School Transportation Administrator of the Year Award, Distinguished Service Award, and the School Bus Driver of the Year Award on the website at <http://www.moapt.org/news.htm>.

For more information contact Dennis Hamann, Executive Director, Missouri Association for Pupil Transportation, at (314) 304-4364 or mapt40@charter.net.

School Transportation Section Website

The School Transportation website address is <http://dese.mo.gov/divadm/trans/index.html>. This website is updated regularly with current transportation information including the transportation calculation program, each school district's Calculation for State Transportation Aid, a listing of certified school bus driver instructors, as well as helpful links to other transportation sites. Please visit this site to see what is available.

School Bus Aisle Blocking

State Board of Education Rule 5 CSR 30-261.010 requires that school bus aisles not be blocked. As your district makes field trips and activity trips this spring, please ensure that all school bus drivers know and adhere to this rule. The aisles must be free of any obstruction so the bus, if needed, could be evacuated quickly without difficulties caused by the aisles being blocked by trash cans, coolers, book bags, band equipment, or other items.

Pre-Trip Inspection Requirement

5 CSR 30-261.010.1.K states "Boards of education shall require operators of school buses to conduct and prepare a record of the daily pretrip inspection for each school district." Additionally, 5 CSR 30-261.010.3.A.3 requires that school bus drivers: "Perform and prepare written documentation of the daily pretrip inspection which is to be submitted to the transportation administrator. Pretrip inspection of vehicles shall include brakes, steering components, lights, signaling devices, emergency door, tires and safety equipment, as a minimum. Any defects or deficiencies that may affect the safety of vehicle operation or result in mechanical breakdown shall be reported immediately in writing and driver shall not operate school bus until the defect or deficiency has been corrected ..."

Please make sure that the school bus drivers in your district are performing the above required daily pre-trip inspection.

<http://dese.mo.gov>